

[Translation]



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**Notice of Measures to Prevent Recurrence and Disposition of Persons Concerned Directors**

As announced on August 10, 2022, in “Receipt of the Report of the Investigation Committee and Policy for Future Course of Action,” we received the report from the Investigation Committee regarding one of our employees being charged with conspiring with a third party and suspicion of fraudulently signing up for a fixed rate charge mobile service with the intention to use the Access Charge business scheme to profit illegally. Thereafter, we have developed measures to prevent any recurrence based on recommendations by the Investigation Committee.

At the meeting of the Board of Directors held today we resolved to determine the measures to prevent any recurrence of this case and the disposition of the parties concerned. We hereby notify you as follows.

We sincerely apologize for any grave inconvenience and concern that this may have caused to our stakeholders, and we will make every effort to rebuild our internal system and restore trust. We ask for your understanding and support.

Description

1. Details of measures to prevent any recurrence

Based on the Investigation Committee’s recommendations, we have formulated measures to prevent recurrence as follows.

(1) Implement Feasible and Effective Collusion Prevention Measures for Sales Representatives

To build and maintain appropriate relationships with our business partners we will implement periodical rotations for our sales representatives.

In departments where the nature of the work makes it difficult to execute departmental transfers workarounds, such as rotating the regions or customers one is in charge of within the

department, will be implemented.

This will prevent certain workloads from becoming dependent on a specific person's skills, we will also establish a structure to prevent collusion.

Moreover, we will create a culture of openness in the workplace by revitalizing two-way communication starting with the internal reporting, communication and consultation processes.

## (2) Implementation of Various Measures to Promote Compliance Awareness

### 1) Management

We take this matter very seriously and will demonstrate a higher level of integrity in the pursuit of business in the future to grow and develop our company.

We will execute efficient management training to improve management sensitivity to risk and improve their awareness level.

### 2) All Group employees

#### (a) Code of Conduct Training

Through a review of training material content and different approaches we will endeavor to ensure the prevalence of correct behavior and basic actions amongst our employees.

We will expand the content relating to labor regulations and internal regulations covered in the employee training and elearning programs, such as the security handbook, compliance manual etc., regularly distributed to all employees.

In the code of conduct training we will also ensure that our employees understand how the status of compliance adherence at our business partners can impact or contain risks to our business pursuits.

Although the giving or receiving of excessive business entertaining, the need for preliminary approval of side jobs or concurrent posts and other prohibited actions, such as the use of personal mobile phones for work-related purposes, are already stipulated in the regulations, upon receiving the report from the Investigation Committee we have promptly and explicitly reminded all employees of these regulations.

#### (b) Training focused on departments in contact with business partners to prevent fraud

We will regularly execute training to prevent fraud relating to financial transactions and receiving profit, focusing on departments in contact with business partners such as the sales and procurement departments.

#### (c) Checklist verification

We will execute a regular checklist verification to ensure that compliance regulations are adhered to internally and that compliance awareness is permeant in our Group.

#### (d) Expand the compliance survey

In addition to the compliance survey currently executed on a yearly basis, we will regularly execute a compliance survey of all employees, to gather information on compliance in general including information regarding fraud or the suspicion thereof.

(3) Improvement of Sensitivity to and Thorough Identification of Risks Inherent in Side Businesses

To decrease risks occurring in side businesses, such as the access charge business, we have determined a policy to exit or shrink this business and have started negotiations with our business partners.

Moreover, by sharing information of what happened in this matter with other telecom operators who are also in the same business field we will endeavor to reduce social risks which become breeding grounds for corruption.

In addition to enhancing risk sensitivity throughout the Group, through the execution of (1) and (2), we will clarify the existence of risks inherent in the other existing side businesses and determine and implement countermeasures.

(Note) For details of the Access Charge business please refer to our press release on August 10, 2022, titled “Receipt of the Report of the Investigation Committee and Policy for Future Course of Action”.

2. Disposition of Directors

Following deliberation by the Nomination and Compensation Committee, our company resolved at the meeting of the Board of Directors held today to encourage the relevant directors to voluntarily return the part of their remuneration. We hereby notify you as follows.

Koji Kabumoto, Representative Director, President & CEO

20% return of monthly salary (three months)

Daisuke Arita, Director, Senior Managing Executive Officer & CCO

20% return of monthly salary (three months)

In addition, we received the offer from two of our Managing Executive Officers to voluntarily return 10% of their monthly salaries for one month.